

- Failure to make payments to repay a third party lender that has financed your swine production operation may cause your third party lender to foreclose on your facilities or take other collection actions.
- You are required to indemnify and hold us harmless from all liabilities, damages, claims, judgments, costs and expenses arising out of your failure to perform this contract.
- You and all other owners of the producer that is a party to this contract, as personal guarantors of its obligations under the contract, may become personally liable to us for the payment and performance of all obligations owed to us under the terms of this contract.

REGULATORY RISKS

- You are responsible for compliance of your hog production operation with all applicable federal, state and local laws and regulations. Any noncompliance exposes you to fines and other enforcement actions.
- You are responsible for obtaining all necessary permits to legally operate your facilities. Failure to obtain such permits may result in enforcement actions being taken against you by regulatory agencies.
- You are responsible for properly storing, handling and disposing of manure from your facilities and for odors emanating from your facilities. You are exposed to liability for odors and for any manure spills or contamination caused by improper storage, handling or disposal.
- Your hogs may be quarantined or destroyed by animal health or other regulatory agencies if the hogs are found to be diseased.
- You are responsible for disposal of all dead hogs. You could be exposed to liability if you fail to properly dispose of all dead hogs.

PAYMENT RISKS

- The "Adjusted Cutout" pricing factor may be affected if we select a substitute report of carcass cutout values or if we adjust the percentage used in the calculation to provide an equivalent Adjusted Cutout under the circumstances set forth in the contract. While such changes are not intended to result in a different payment for your hogs, a comparison of prices paid before and after the change may be difficult or impossible, and such changes may mean that you are paid less for your hogs as compared to prior to the change.
- We may change our Carcass Buying Program from time to time so long as any change to the premiums and discounts does not reduce the average Carcass Buying Program premium/discount percentage for all our contracted hogs to less than 102%. Such changes may mean that you are paid less for the same types of hogs you delivered prior to the change.
- We may change the Western Cornbelt Price under the circumstances set forth in the contract. While such changes are not intended to result in a different payment for your hogs or different delivery shortfall assessments, a comparison of prices and assessments before and after the change may be difficult or impossible. Such changes may mean that you are paid less for your hogs as compared to prior to the change if the Western Cornbelt Price affects your contract price and that you pay a higher delivery shortfall assessment as compared to prior to the change.
- Whenever you are in default, we may pay you a lower price for your hogs as set forth in the contract.
- Your failure to deliver the agreed upon number of hogs each period will result in you being obligated to pay us a delivery shortfall assessment as set forth in the contract.
- We may change our station delivered freight discount from time to time. Such changes may mean that you incur a higher transportation charge, and receive a lesser payment, for hogs you deliver to our buying station.
- If you are in default or amounts you owe us are past due, we may pay you less than amounts you are otherwise due from us by offsetting amounts you owe us.

TERMINATION RISKS

- We may terminate this contract prior to expiration of the term of the contract if you are in default.
- We may terminate this contract prior to expiration of the term of the contract if we stop slaughtering hogs at the plant(s) designated for delivery of your hogs.
- If you are in default, we have the right to pursue any and all remedies available to us at law or in equity. These remedies include any remedies granted to us under this contract.
- If you are in default or we terminate this Agreement for your default, you must pay us the direct damages set forth in the contract.